

Exhibit 9

This exhibit is regarding HB 2. These documents exceed the 25 page maximum that can be scanned. Therefore only a small portion is scanned to assist you with research. The original exhibit is on file at the Montana Historical Society and may be viewed there.

**Montana Historical Society
Archives, 225 N. Roberts, Helena,
MT 59620-1201
Phone (406) 444-4774.**

Scanning by: Susie Hamilton

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

ADDICTIVE & MENTAL DISORDERS DIVISION

CONTACTS

The contacts for information regarding the Addictive and Mental Disorders Division are:

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joyce De Cunzo	444-3969	jdecunzo@mt.gov
Deputy Administrator	Bob Mullen	444-3518	bmullen@mt.gov
Chief Financial Officer	Bob Mullen (acting)	444-3518	bmullen@mt.gov

WHAT THE PROGRAM DOES

The **Addictive and Mental Disorders Division** provides chemical dependency and mental health services by contracting with behavioral health providers through Montana. The chemical dependency program provides services to Medicaid eligible individuals and non-Medicaid services up to 200% of the federal poverty level (FPL). The mental health program provides services to Medicaid eligible individuals and non-Medicaid services to individuals up to 150% of FPL. It also provides services through three inpatient facilities: the Montana State Hospital in Warm Springs, Montana Chemical Dependency Center in Butte, and Montana Mental Health Nursing Care Center in Lewistown.

STATUTORY AUTHORITY

Statutory authority for the division is provided in Title 53, Chapter 21, parts 1 through 7 and part 10, MCA and PL 102-321, CFR for mental health and Title 53, Chapters 1 and 24 and Title XIX of the Social Security Act.

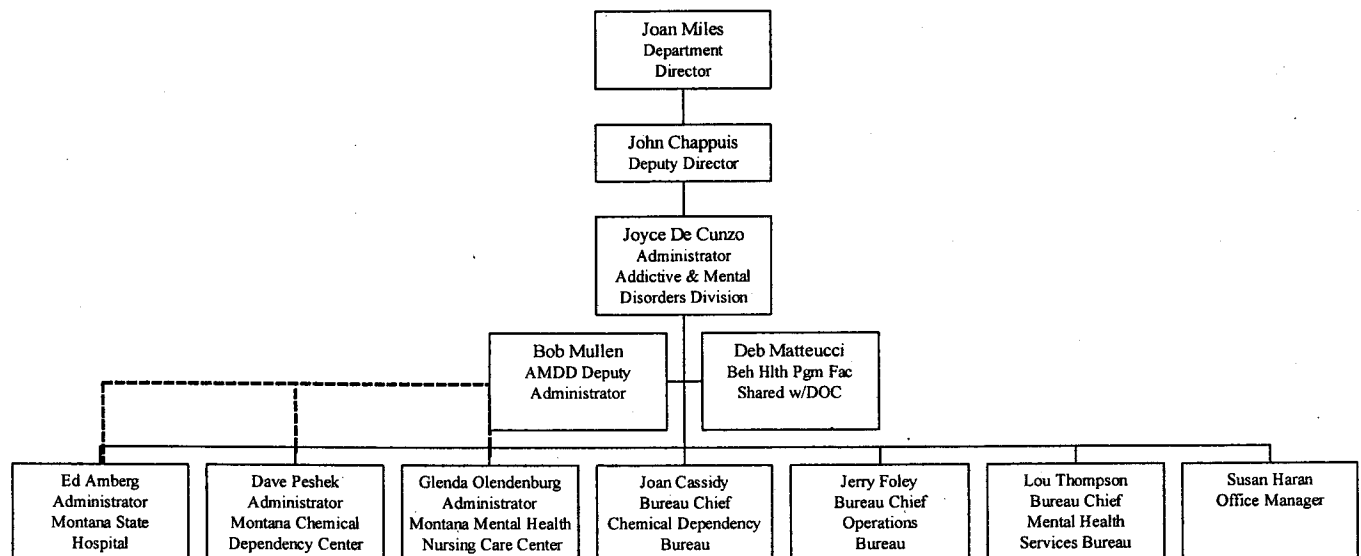
HOW SERVICES ARE PROVIDED

The division is organized into three bureaus and three institutions with responsibility to serve Montanans with chemical dependency and mental health issues.

- The **Chemical Dependency Bureau** assesses the need for chemical dependency treatment and prevention services throughout Montana. Services are available in all 56 counties through contracts with 18 state-approved programs. The bureau also organizes and funds activities designed to prevent the use of alcohol, tobacco, and other drugs by youth and the abuse of those substances by adults. People with substance abuse disorders who have family incomes below 200% of the federal poverty level are eligible for public funding of treatment services. In addition, the Medicaid program funds outpatient and residential chemical dependency treatment services for adolescents and outpatient services for adults who are Medicaid eligible.
- The **Mental Health Services Bureau** is responsible for the development, implementation, operation, oversight, evaluation, and modification of the state's system for delivering and reimbursing publicly funded adult mental health services. The bureau develops, maintains, and revises administrative rules, policies, procedures, and systems necessary to ensure the availability and efficient delivery of appropriate and effective services. The bureau also provides extensive monitoring and oversight of program implementation and operation as well as analysis and reporting of program operations, costs, and outcomes.
- The **Montana Chemical Dependency Center (MCDC)** located at Butte is the only publicly funded inpatient addictions treatment facility in the state. The MCDC provides treatment to persons that require treatment for alcohol and drug addictions and provides treatment for co-occurring addictions and psychiatric disorders. The facility is licensed as a health care facility and a chemical dependency treatment facility.

- The **Montana Mental Health Nursing Care Center (MMHNCC)** located at Lewistown is the only state-operated nursing care facility for individuals with mental disorders. The MMHNCC provides long-term care and treatment to persons that require a level of care not available in communities or will not benefit from intensive psychiatric treatment available at other settings, including the Montana State Hospital.
- The **Montana State Hospital (MSH)** located at Warm Springs is the only state-operated inpatient psychiatric hospital. The MSH provides treatment services to people admitted under civil procedures and criminal procedures. State law limits services to adults, eighteen (18) years of age or older. Voluntary admission procedures are allowed in accordance with procedures set forth in statute and administrative rules.
- The **Helena Central Office** includes the operations bureau and the staff to support the operation of the division, providing information services, program reporting, data management, contract management, procurement, and budget development for the division.

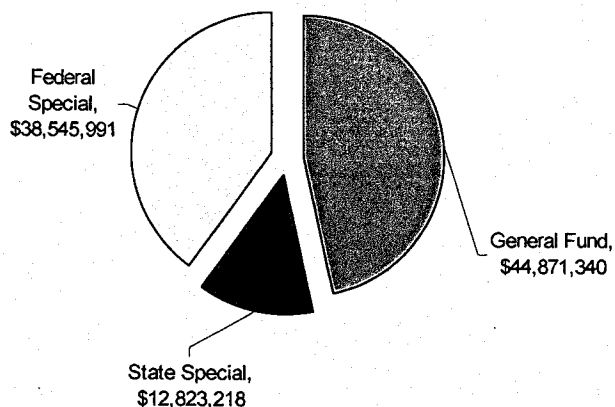
Addictive & Mental Disorders Division



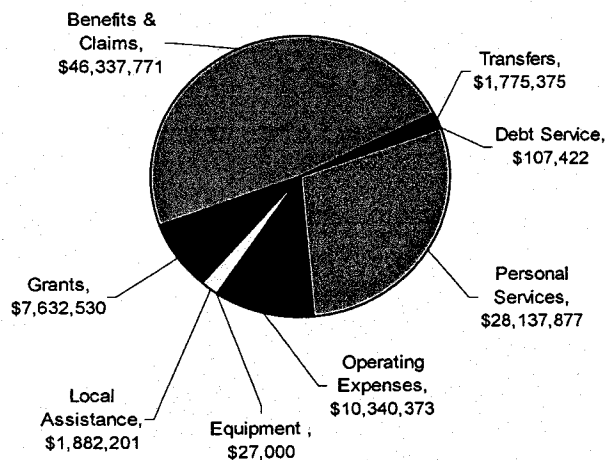
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Addictive and Mental Disorders Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding

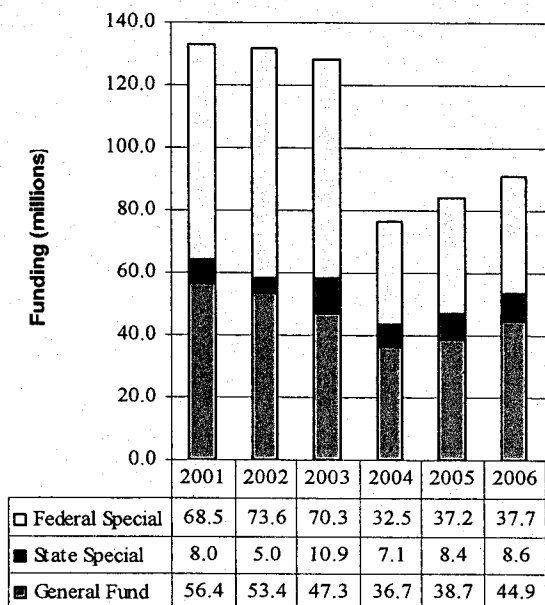


FY 2006 First Level Expenditures

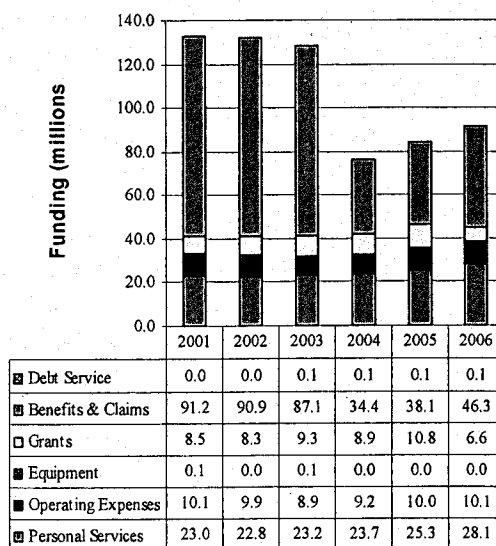


The following figures show funding and expenditures from FY 2001 through FY 2006, for HB2 funding. There were two administrative appropriations in SFY 2006 --- one from the Department of Corrections regarding youth treatment (\$109,231) and one administrative appropriation from the DPHHS – Public Health and Safety Division for tobacco prevention (\$410,000). In the two following graphs, SFY 2001 – SFY 2003 include children's mental health expenditures.

Historical Funding



Historical Expenditures



2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The following represents the program expansions authorized by the last Legislature, primarily as new proposals.

- Mental Health Services

The 2005 Legislature provided a biennial appropriation of \$6.5 million of tobacco tax funds for the provision of Mental Health Services Plan (MHSP) pharmacy and other services.

- MHSP – Program of Assertive Community Treatment Slots

The 2005 Legislature approved the department request to utilize approximately \$1 million of 2004 MHSP base budget general fund to establish a source of funding for individuals with MHSP eligibility that could benefit from the services provided through the Program(s) of Assertive Community Treatment (PACT) programs operating in Helena, Billings, Missoula, Kalispell and Great Falls.

- Enhance Community Psychiatric Access

The 20% rate increase for psychiatrists that was authorized for FY2006, was granted to improve availability and access for Medicaid beneficiaries.

- Expand Intensive Community-Based Rehabilitation (ICBR)

The 2005 Legislature authorized the department to add 3.5 beds in SFY 2006 and 7.0 beds in SFY 2007 funded with tobacco tax matching funds. During SFY 2006, one of the sites closed citing staffing difficulties as a principle reason.

- Expand Medicaid Program of Assertive Community Treatment (PACT) Slots

The previous legislature provided funding to annualize the cost of PACT services that were started at the end of SFY 2004 and the beginning of SFY 2005. Programs are located in Helena, Billings, Great Falls, Missoula, and Kalispell.

- Develop Home and Community-Based Services (HCBS) Waiver

The department submitted a waiver application on September 18, 2006 and received notification of approval in late November with an implementation date of January 1, 2007. The 105 Medicaid slots use tobacco tax as match for the federal funds. Waiver services will be available in three areas of the state beginning January 1, 2007.

- Staff Training to Reduce Violence and Improve Communication

The 2005 Legislature approved \$70,000 in general fund (\$35,000/year) for state hospital staff training in response to new federal initiatives that call for reducing and eventually eliminating the use of restraint and seclusion.

FTE

Modified FTEs Granted in SFY 2006

A modified Behavioral Health Program Facilitator FTE was added in SFY 2006. This 1.0 FTE is continued in the 2009 Biennium request.

MCDC did request and receive 6.0 modified FTE in SFY 2006. 5 FTE were necessary to provide immediate staffing assistance on weekends and evenings and provide for additional staff and patient safety and an additional counselor position was necessary to increase the average daily census to accommodate a contract with the Department of Corrections. The modified are requested as a new proposal in the 2009 biennium.

The Montana State Hospital was granted 36.60 FTE in SFY 2006 due to extremely high daily census. The FTE are continued in the department's request for the 2009 Biennium.

2005 Legislative Authorized Positions

Approval granted for 3.0 FTE in SFY 2006 and 2.0 additional FTE in SFY 2007. These positions are community program officers with a responsibility to represent the Helena central office; perform quality assurance and program monitoring; provide technical assistance to providers regarding department rules, policies, and procedures; and provide assistance to their respective Service Area Authorities. As discussed last session, these positions have been instrumental in the development of community crisis services proposals that are included in the mental health community services package that will follow.

2007 Biennium FTE Hire Dates	FTE	Date
69131701	1.0	11/14/2005
69131702	1.0	11/02/2005
69131703	1.0	11/14/2005
69131704	1.0	07/31/2006
69131705 (filled once – currently vacant)	1.0	07/31/2006

CORRECTIVE ACTION PLANS

Legislative Audit – 2005 Biennium

There were no audit recommendations resulting from the legislative and federal audit of the 2005 biennium for this program.

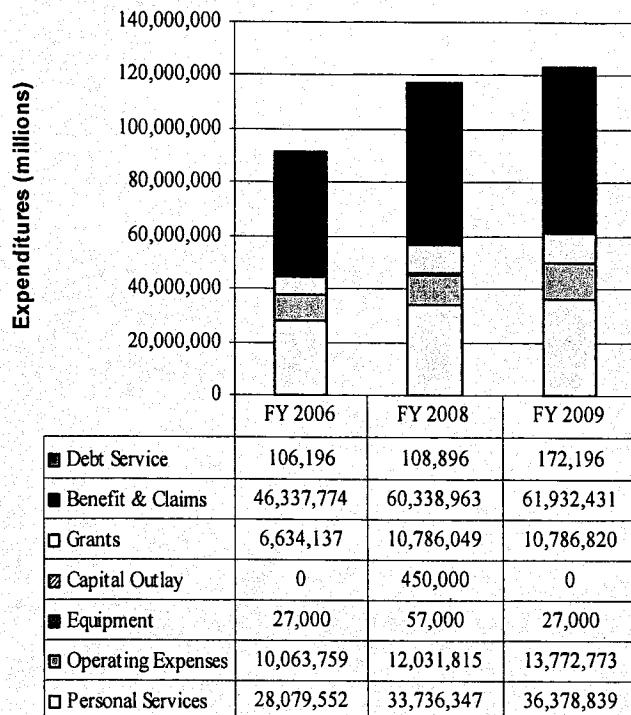
State and Federal Licensure/Certification Surveys

All three inpatient facilities were surveyed in SFY 2006. Comments regarding each facility follow in their respective templates.

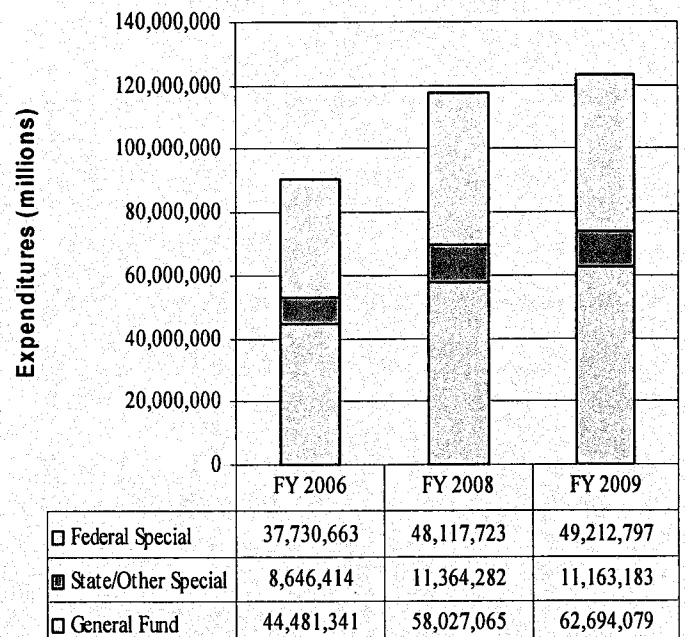
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

**DPHHS - AMDD
2009 Biennium HB 2 Budget
First Level Expenditures**



**DPHHS - AMDD
2009 Biennium HB 2 Budget
Funding**



Goals and Measurable Objectives

Specific goals and measurable objectives are included in each program template that follows. In general, the goals and objectives for the Addictive and Mental Disorders Division can be categorized as:

- Developing a continuum of care that improves and sustains the lives of individuals with co-occurring disorders
- Continuing the development of consistent, evidence-based treatment modalities
- Improving the use of data for service delivery and management of programs
- Development of a set of community services designed to support individuals discharged from inpatient settings
- Increase the capacity for community crisis services
- Enhance inter-agency and intra-agency communication, collaboration and planning

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Governor's Budget:

- Proposals to increase the capacity of community programs to provide crisis services for both mental health and chemical dependency

- Caseload adjustments
- Provider rate increases of 2.5%
- Proposals to assist individuals exiting inpatient care to transition successfully into community services
- New federal grants for prevention and data management
- Media campaign for the prevention of methamphetamine use
- Continuance of modified positions added during SFY 2006
- Annualization of programs started in SFY 2006
- Funding changes due to the change in the Federal Medical Assistance Percentage (FMAP)
- Inflation increases in operating costs
- Treatment collaboration with the Department of Corrections

SIGNIFICANT ISSUES EXPANDED

Significant issues affecting the various programs operated by the Addictive and Mental Disorders Division are included with each template. To summarize, some of the issues regarding the division's direction include:

- Community crisis services development
- Expansion of community-based continuum of care
- Service Area Authority (SAA) development and inclusive training and skill development
- Increased use of evidence-based practices in treating individuals with mental and substance abuse disorders
- Co-occurring treatment of individuals with mental health and substance abuse disorders
- Data and performance improvement
- Health Insurance Flexibility and Accountability (HIFA) conversion
- STEP

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

ADDICTIVE & MENTAL DISORDERS DIVISION

MENTAL HEALTH ADMINISTRATION

CONTACTS

The contacts for information regarding the Mental Health Services Bureau are:

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joyce De Cunzo	444-3969	jdecunzo@mt.gov
Bureau Chief	Lou Thompson	444-9318	lothompson@mt.gov
Chief Financial Officer	Bob Mullen (acting)	444-3518	bmullen@mt.gov

WHAT THE PROGRAM DOES

The **Mental Health Services Bureau** is responsible for the development, implementation, operation, oversight, evaluation, and modification of the state's system for delivering and reimbursing publicly funded adult mental health services. The bureau develops, maintains, and revises administrative rules, policies, procedures, and systems necessary to ensure the availability and efficient delivery of appropriate and effective services. The bureau also provides extensive monitoring and oversight of program implementation and operation as well as analysis and reporting of program operations, costs, and outcomes.

STATUTORY AUTHORITY

TITLE 53. SOCIAL SERVICES AND INSTITUTIONS

CHAPTER 21. MENTALLY ILL

P.L. 102-321, CFR

HOW SERVICES ARE PROVIDED

The Mental Health Services Bureau manages the state's community-based mental health services for individuals age 18 and over. Six full time employees are based in Helena; the four remaining staff are located in the communities of Kalispell, Great Falls, Anaconda, and Billings. Recruitment efforts are underway for a fifth Community Program Officer position in Miles City. The Helena staff is responsible for oversight and management of community services including development and implementation of new service models, quality assurance, maintenance and revision of administrative rules, policies, and procedures, administration of Federal grants. The Community Program Officers are liaisons with the central office and with community providers, stakeholders, and consumers with emphasis on planning, coordination, operation, and monitoring of community services including planning and development of crisis services in the community. The bureau employs 12.0 FTE.

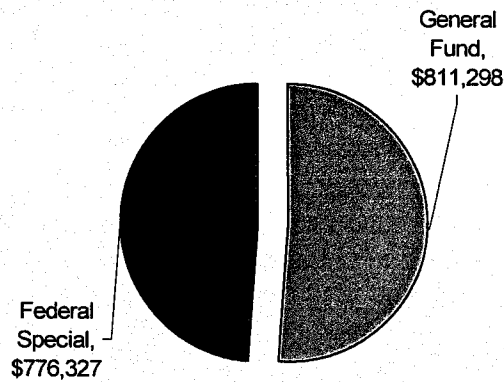
Medicaid mental health services are provided by licensed mental health centers and private practitioners who are enrolled with the state's fiscal intermediary (ACS). Services include an array of inpatient and outpatient therapies as well as services provided under the rehabilitation option in the Medicaid State Plan. Services provided to individuals enrolled in the state-funded Mental Health Services Plan (MHSP) are reimbursed through a contractual agreement with four licensed mental health centers. The Mental Health Services Bureau also contracts directly for a limited number of other services.

Spending and Funding Information

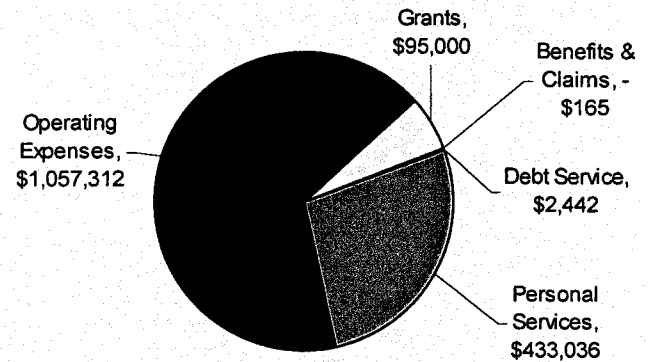
The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Mental Health Services Bureau. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

The 2006 base presented is amended from the MBARS version to more fairly represent the comparative intent of the charts. An error in rollups of these reporting levels understated Mental Health Administration (6901-33-01-01) and overstated Mental Health Other Services (6901-33-01-04). A worksheet showing the changes to the represented base of each reporting level is attached.

FY 2006 Funding

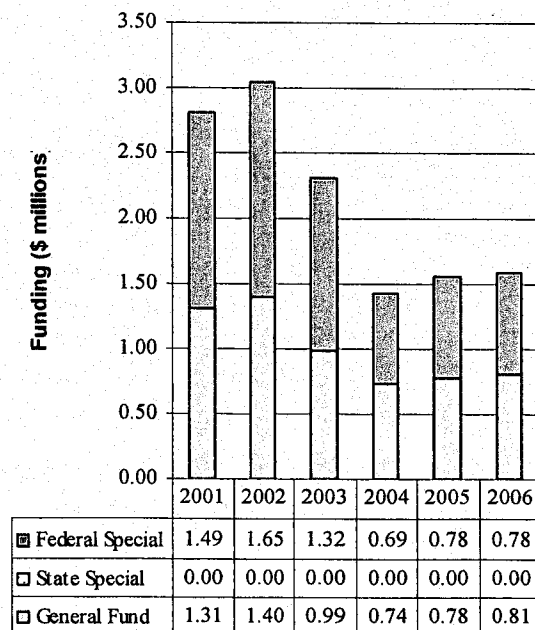


FY 2006 First Level Expenditures

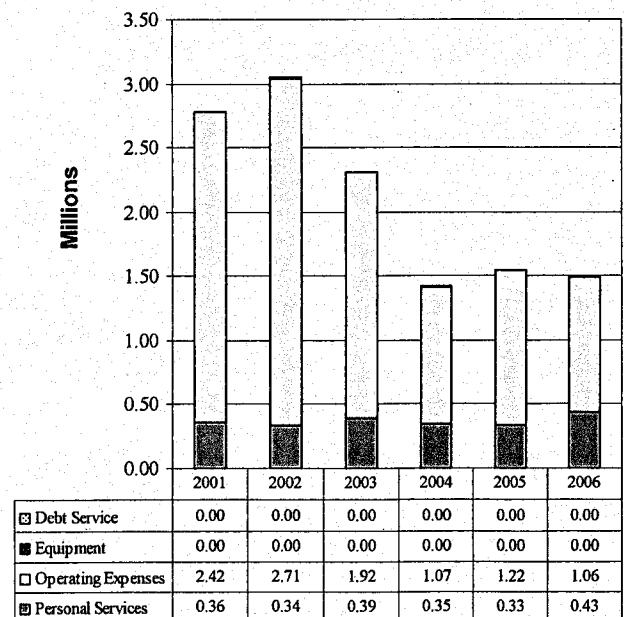


The following figures show funding and expenditures from FY 2001 through FY 2006, for HB2 funding. There were no administrative appropriations. SFY 01-03 data includes children's services.

Historical Funding



HISTORICAL EXPENDITURES



2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

There were no program expansions or major policy changes from the 2005 legislative session regarding this program.

FTE

Approval granted for 3.0 FTE in SFY 2006 and 2.0 additional FTE in SFY 2007. These positions are community program officers with a responsibility to represent the Helena central office; perform quality assurance and program monitoring; provide technical assistance to providers regarding department rules, policies, and procedures; and provide assistance to their respective Service Area Authorities. As discussed last session, these positions have been instrumental in the development of community crisis services proposals that are included in the mental health community services package that will follow.

2007 Biennium FTE Hire Dates	FTE	Date
69131701	1.0	11/14/2005
69131702	1.0	11/02/2005
69131703	1.0	11/14/2005
69131704	1.0	07/31/2006
69131705 (filled once – currently vacant)	1.0	07/31/2006

The Mental Health Services Bureau provided outcome measures for the new Community Program Officer (CPO) positions. Three individuals were hired in November 2005; a fourth began on July 31, 2006. The fifth position (Miles City) was filled on July 31, but was vacated within 60 days. Recruitment efforts are underway to fill the position for eastern Montana. In proposing specific outcome measures, the Bureau failed to take into account the time that would be required to acquaint new employees with the adult mental health system including the statutes, rules, programs, providers, and communities. Nevertheless, in a relatively short period of time, the following has been accomplished: work with Local Advisory Committees, Service Area Authorities, county officials, and law enforcement to assist in the planning, development, and strengthening of community crisis systems; monitor implementation of Community Crisis Grant awardees; facilitate networking among agencies to leverage resources, both on an individual and system level; assist with program development including evidence-based practices; facilitate collaboration between agencies (children's mental health, Montana State Prison, Developmental Disabilities, Adult Protective Services, Senior & Long Term Care); participate in state planning groups (Service Area Authorities, Local Advisory Committees, Co-Occurring Change Agents); and Native American programs. The CPOs have also been available to work directly with individual consumers and families in need of assistance in assessing services. The CPOs completed a statewide survey of crisis response resources that will be made available to Local Advisory Committees and Service Area Authorities in FY 07 and 08. The new HCBS Waiver for persons with mental illness will be implemented in January 2007. CPO staff has primary responsibility for quality assurance and compliance monitoring for this waiver.

CORRECTIVE ACTION PLANS

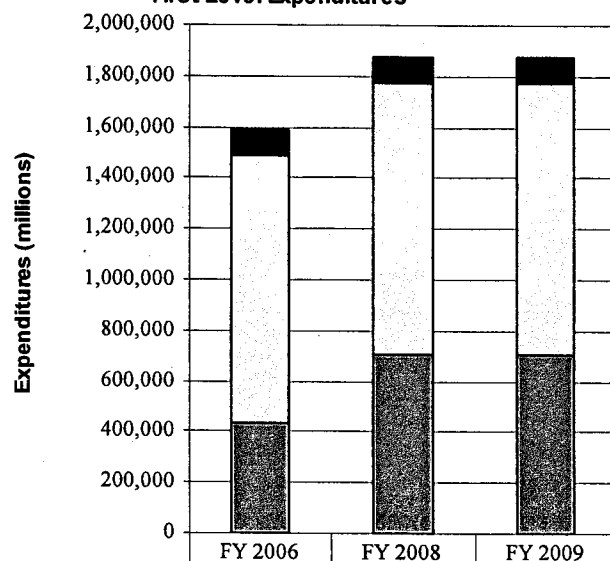
Legislative Audit – 2005 Biennium

There were no audit recommendations resulting from the legislative and federal audit of the 2005 biennium for this program.

2009 BIENNIUM BUDGET

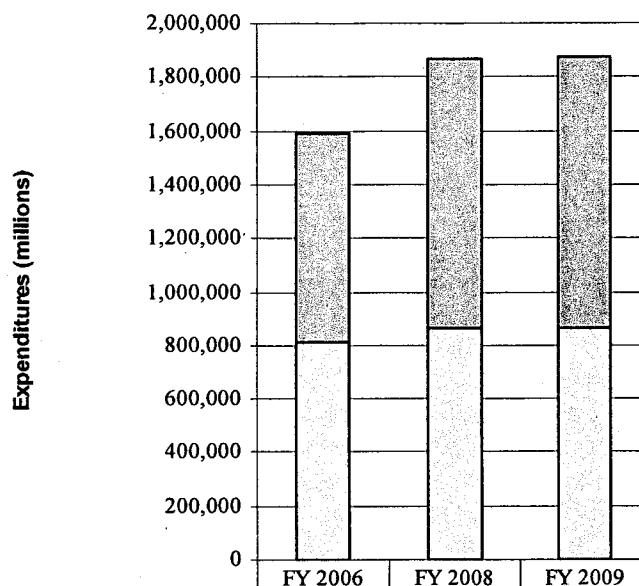
The following figures show the proposed HB 2 budget for the 2009 biennium.

**DPHHS - AMDD - Mental Health Services Bureau
2009 Biennium HB 2 Budget
First Level Expenditures**



	FY 2006	FY 2008	FY 2009
Debt Service	2,442	2,442	2,442
Grants	95,000	95,000	95,000
Operating Expenses	1,057,312	1,072,107	1,072,074
Personal Services	433,036	704,463	705,780

**DPHHS - AMDD - Mental Health Services Bureau
2009 Biennium HB 2 Budget
Funding**



	FY 2006	FY 2008	FY 2009
Federal Special	776,327	1,006,803	1,007,445
State/Other Special	811,298	864,602	865,244

The 2006 base presented is amended from the MBARS version to more fairly represent the comparative intent of the charts. An error in rollups of these reporting levels understated Mental Health Administration (6901-33-01-01) and overstated Mental Health Other Services (6901-33-01-04). A worksheet showing the changes to the represented base of each reporting level is attached

Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Goal	Measurable Objectives
To develop and support a community-based system of care for adults that is recovery-focused and consumer-driven.	By 2008, implement strength-based case management in all mental health centers who provide services to adults with serious mental illness. By 2008, develop structure for the delivery of peer specialist services. By 2009, evaluate new programs and treatment practices for introduction into the adult mental health system, including services for rural communities, telemedicine, and evidence based practices.
To improve the use of data in service delivery and management.	Implement reporting of recovery markers in two mental health centers in FY2008 and three additional mental health centers in FY2009. Develop fidelity measures for dialectical behavior therapy, strength-based case management, and co-occurring capability by FY2009. By 2008, define Data Infrastructure Grant data sets that assist w program development.

Enhance inter-and intra-agency communication, collaboration, and planning, reinforcing the recognition that people served by the Mental Health Services Bureau have needs that are or can be met in other state systems.

By 2009, identify agencies other than mental health that encounter and/or have responsibility for individuals with serious mental illness.

In 2009, outreach to identified agencies to provide coordinated and integrated services to individuals with serious mental illness.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Governor's Budget:

NP 33413 – Federal Data Infrastructure Grant (1.0 FTE)

SIGNIFICANT ISSUES EXPANDED

Service Area Authority (SAA) Development – During the current biennium, each Service Area Authority has become incorporated, adopted by-laws, and appointed a board of directors. Additionally, each SAA is working on a strategic plan that addresses the unique needs of its geographic region and population. The SAAs individually and as a group have worked with AMDD in identifying statewide issues for attention during the Legislative session and provided AMDD with recommendations for budgetary and programmatic requests.

Evidence Based Practices use current and best research evidence in making clinical and programmatic decisions about the care of clients. AMDD supports the use of evidence-based and empirically-supported treatments and services for adults with severe mental illness, including the following: assertive community treatment (ACT), dialectical behavior therapy (DBT), wellness recovery action plan (WRAP), White Bison, strengths-based case management, and integrated dual-diagnosis treatment.

Co-occurring Treatment – Individuals with co-occurring mental illness and substance use disorders are highly prevalent in all public service systems (mental health, substance treatment, criminal justice, homeless shelters, primary care, victim/trauma services, family protective services). In Montana's public mental health system, about two-thirds of the adults served have a co-occurring substance use disorder. Likewise, approximately sixty percent of the individuals served in the public chemical dependency system have a co-occurring mental illness. Individuals with co-occurring illness traditionally have high rates of relapse and re-hospitalization, suicide and violence, medical involvement (HIV/STD), criminal involvement, homelessness, and family disruption and abuse.

Data and Performance Improvement – AMDD has completed the testing phase of "recovery markers" – measures of individual change on six variables (housing, employment, symptom interference, alcohol and substance use, and readiness for change). Mental health centers will begin on-line reporting on these six variables at 90-day intervals for clients receiving targeted case management, assertive community treatment, and dialectical behavior therapy. The combination of evidence-based practices and recovery measurement provides the opportunity for the Mental Health Services Bureau to track and identify services that provide the greatest hope and opportunity for adults with serious mental illness. Additionally, use of these tools will promote a more efficient use of limited funding by identification of services or combinations of services that promote recovery and reduce the use of the most expensive, high-end services.

Existing MBARS**Amended Base Templates****Mental Health Administration - 6901-33-01-01**

SFY 2006	
Personal Services	67,525
Operating	990,975
Grants	95,000
Benefits&Claims	(165)
Debt Service	-
Total	1,153,335

	SFY 2006	Change
Personal Services	433,036	365,511
Operating	1,057,312	66,337
Grants	95,000	-
Benefits&Claims	(165)	-
Debt Service	2,442	2,442
Total	1,587,625	434,290

General Fund	568,632
State Special	-
Federal Funds	584,703
Total	1,153,335

General Fund	811,298	242,666
State Special	-	-
Federal Funds	776,327	191,624
Total	1,587,625	434,290

Mental Health Other Services - 6901-33-01-04

SFY 2006	
Personal Services	365,511
Operating	123,525
Grants	-
Benefits&Claims	381,156
Debt Service	2,442
Total	872,634
General Fund	352,252
State Special	-
Federal Funds	520,382
Total	872,634

	SFY 2006	Change
Personal Services	-	(365,511)
Operating	57,188	(66,337)
Grants	-	-
Benefits&Claims	381,156	-
Debt Service	-	(2,442)
Total	438,344	(434,290)
General Fund	109,586	(242,666)
State Special	-	-
Federal Funds	328,758	(191,624)
Total	438,344	(434,290)

Combined Reporting Levels

Sum of Both RLs	2,025,969
General Fund	920,884
State Special	-
Federal Funds	1,105,085
Total	2,025,969

Sum of Both RLs	2,025,969	-
General Fund	920,884	-
State Special	-	-
Federal Funds	1,105,085	-
Total	2,025,969	-

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES
ADDICTIVE & MENTAL DISORDERS DIVISION
MENTAL HEALTH SERVICES PLAN

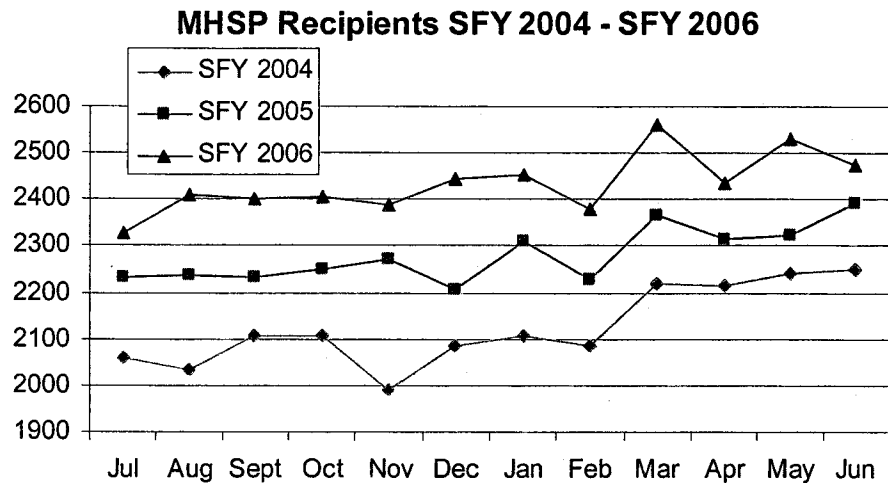
CONTACTS

The contacts for information regarding the Mental Health Services Plan are:

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joyce De Cunzo	444-3969	jdecunzo@mt.gov
Bureau Chief	Lou Thompson	444-9318	lothompson@mt.gov
Chief Financial Officer	Bob Mullen (acting)	444-3518	bmullen@mt.gov

WHAT THE PROGRAM DOES

The Mental Health Services Plan (MHSP) is a non-Medicaid mental health program for individuals up to 150% of the federal poverty level who have a severe and disabling mental illness. The program provides community-based mental health services through contracts with four licensed mental health centers and a capped monthly pharmacy benefit. The chart data is based on pharmacy data and encounter data provided by the mental health centers.



STATUTORY AUTHORITY

TITLE 53. SOCIAL SERVICES AND INSTITUTIONS

CHAPTER 21. MENTALLY ILL

P.L. 102-321, CFR

HOW SERVICES ARE PROVIDED

There is a pharmacy benefit that is capped at \$425 per month. Historically, more than 90% of the individuals served each month spend less than the capped benefit. Pharmacy services are available through virtually any pharmacy and provider payment is made through a point of sale system operated by the state's fiscal agent, ACS.

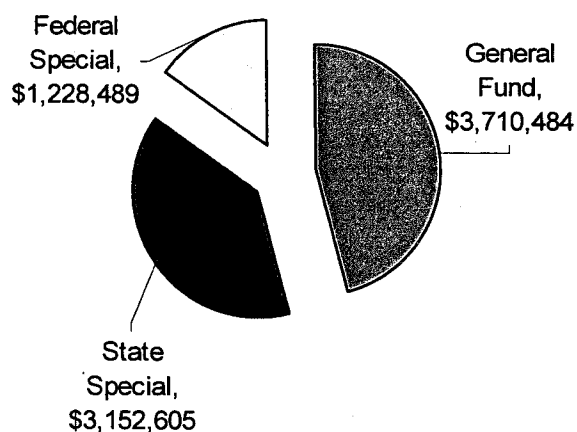
Community-based mental health services are provided through direct service contracts with four community mental health centers. Services generally consist of therapies, case management, support services, and medication management. Contract payments are distributed on a monthly basis. In SFY 2006, funding of Program of Assertive Community

Treatment (PACT) for MHSP recipients was added as a new service. Three of the four centers are providing PACT services in Helena, Billings, Missoula, Kalispell, and Great Falls.

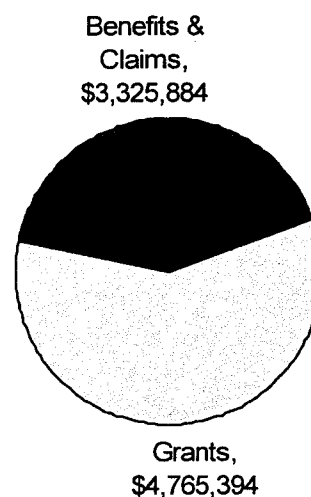
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Mental Health Services Plan. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding

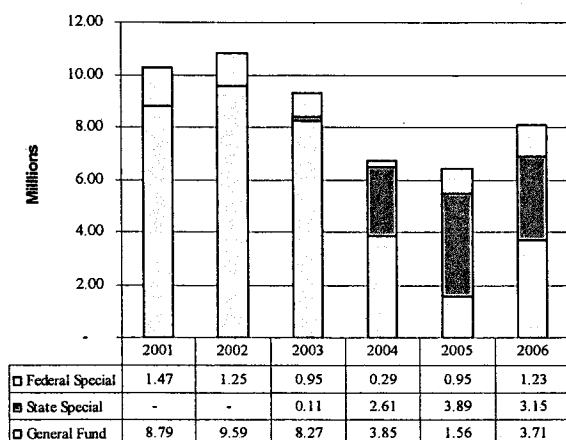


FY 2006 First Level Expenditures

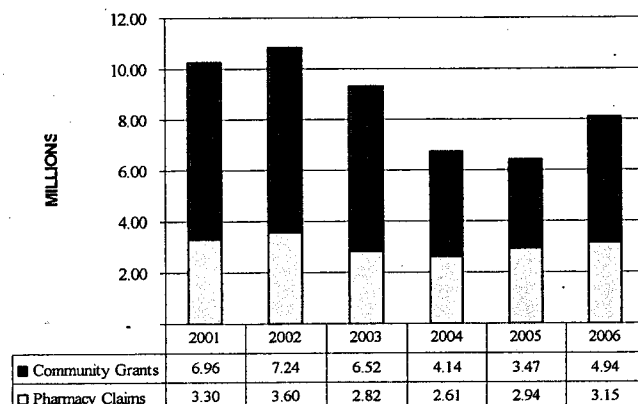


The following figures show funding and expenditures from FY 2001 through FY 2006, for HB2 funding. There were no administrative appropriations. SFY 2001, SFY 2002, and SFY 2003 are adjusted to show only adult expenditures in the following two charts.

Historical Funding



Historical Expenditures



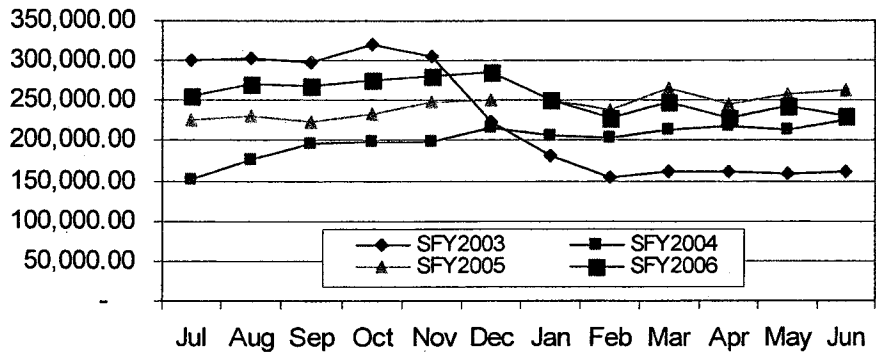
2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

- DP 3002 – Mental Health Services

The 2005 Legislature provided a biennial appropriation of \$6.5 million of tobacco tax funds for the provision of Mental Health Services Plan (MHSP) pharmacy and other services. Of the 5362 recipients of MHSP services in SFY 2006, 3459 received pharmacy services (65%), perhaps in addition to other services. In SFY 2006, \$3,152,605 was spent. It is expected that the balance will be spent in SFY 2007. The 2009 biennial request seeks to continue the SFY 2006 base amount each year. The reduced monthly cost in the second half of SFY 2006 is attributed to the effect of Medicare Part D.

**MHSP PHARMACY COST PER MONTH
SFY 2003 - SFY 2006**



- MHSP – Program of Assertive Community Treatment Slots

The 2005 Legislature approved the department request to utilize approximately \$1 million of 2004 MHSP base budget general fund to establish a source of funding for individuals with MHSP eligibility that could benefit from the services provided through the Program(s) of Assertive Community Treatment (PACT) programs operating in Helena, Billings, Missoula, Kalispell and Great Falls. In SFY 2006, the department spent approximately \$650,000 for MHSP eligible slots. The balance of the funds were transferred to other MHSP contracts and will be available for MHSP PACT services in the 2009 biennium.

- Crisis Stabilization Pilot Contracts

As discussed with the subcommittee last session, the department requested bids and awarded approximately \$875,000 in contracts to community programs to improve crisis stabilization services. Two bids were awarded to mental health programs in each Service Area Authority (SAA). These community pilot programs were funded:

Program	Purpose	Cost
Eastern Montana CMHC	Crisis Response, Suicide Care, Equipment	\$ 65,000
Center for Mental Health	Peer Support Services	\$ 163,908
Rocky Mountain Development Council	Crisis Response Team	\$ 207,984
South Central CMHC	Community Training	\$ 139,700
Western Montana CMHC – Butte	Peer Support and Crisis Stabilization	\$ 231,126
Western Montana CMHC – Hamilton	Peer Support Services	\$ 67,300

Approximately \$294,000 will be paid from SFY 2007 general fund.

FTE

There is no staffing associated with this reporting level or program.

2007 Biennium FTE Hire Dates	FTE	Date
NONE		

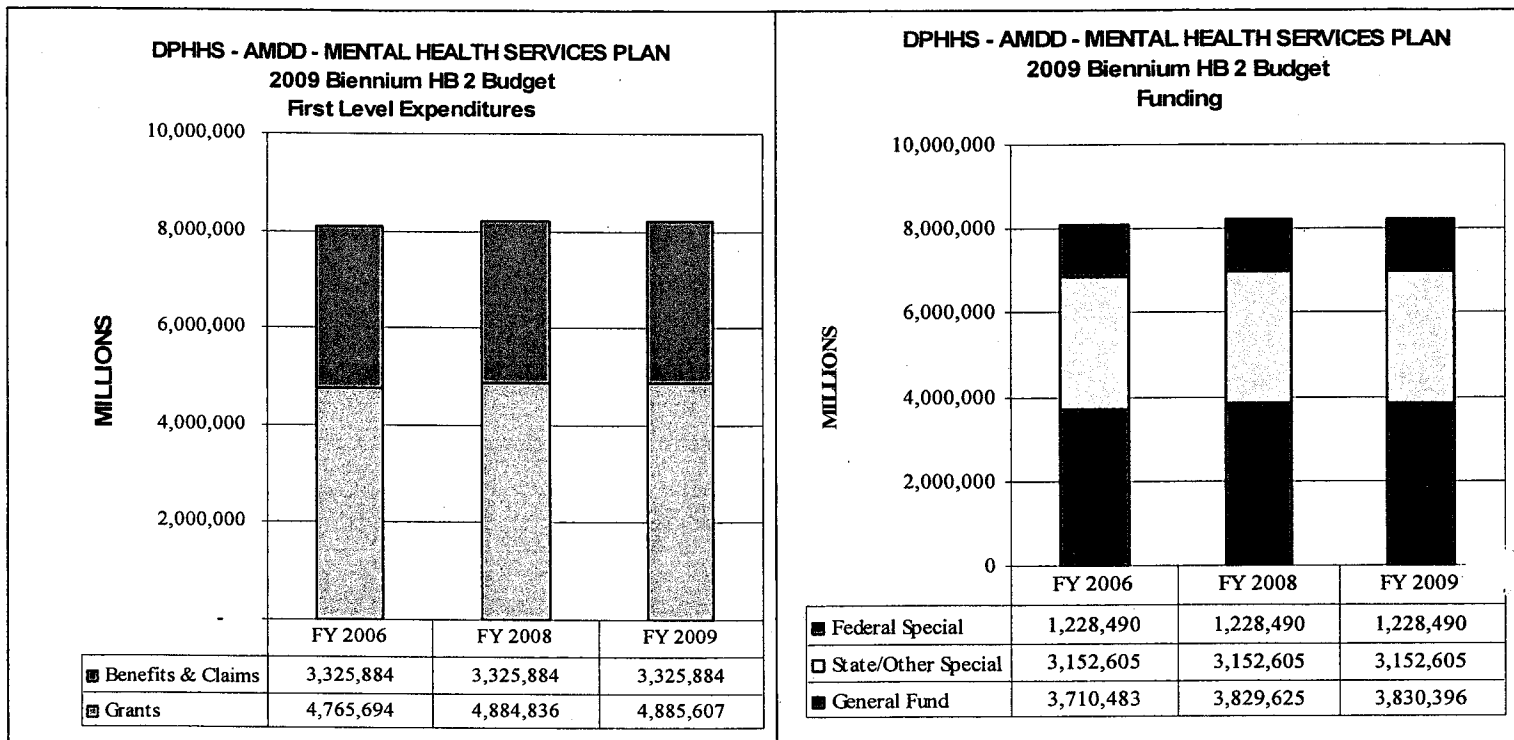
CORRECTIVE ACTION PLANS

Legislative Audit – 2005 Biennium

There were no audit recommendations regarding this program.

2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Goal	Measurable Objectives
If approved, the Department's HIFA Waiver will require modifications to the MHSP eligibility and service delivery systems.	<p>By 2008, transfer responsibility for determination of eligibility for MHSP to state-operated entity.</p> <p>By 2008, develop criteria for waiver eligibility including prioritization of individuals on waiting list.</p> <p>By 2008, identify plan of benefits for MHSP individuals who are not eligible for waiver.</p>
Re-procure contracts for delivery of services to MHSP beneficiaries	Develop Request for Proposals and award contracts in 2008.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Governor's Budget:

- NP 33701 – Provider Rate Increase

SIGNIFICANT ISSUES EXPANDED

The Department anticipates approval of its application for a HIFA waiver (Health Insurance Flexibility and Accountability). If approved, this waiver will match MHSP funding with Federal funds to provide limited Medicaid services to up to 1500 current MHSP beneficiaries. This population will receive expanded services including limited general medical and inpatient hospital benefits. The MHSP beneficiaries who are not eligible for the waiver will continue to receive limited MHSP benefits with state or Mental Health Block Grant funding.

The introduction of a pharmacy benefit for Medicare beneficiaries in January 2006 (Part D) had a positive impact on the MHSP pharmacy budget. Approximately one third of MHSP eligible individuals are also eligible for Medicare and Administrative Rule amendments effective in May 2006 limited the MHSP pharmacy benefit for dually eligible individuals. The anticipated savings in the MHSP pharmacy budget was mitigated by an increase in the cost of medications.

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES
ADDICTIVE & MENTAL DISORDERS DIVISION
MENTAL HEALTH MEDICAID

CONTACTS

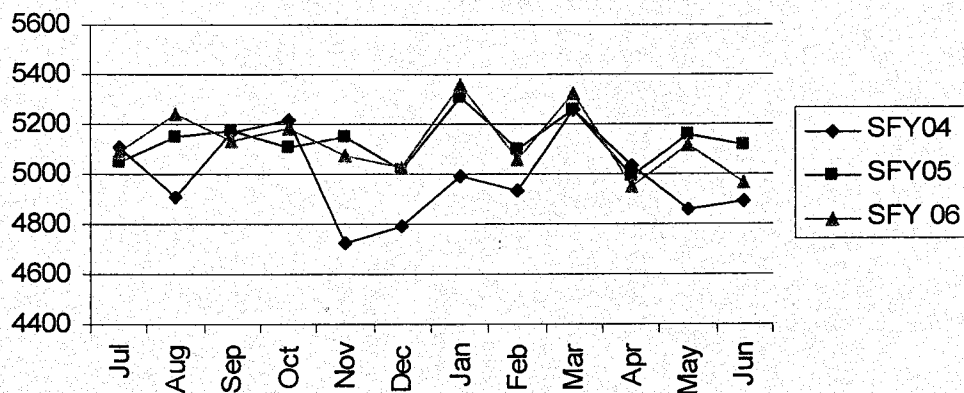
The contacts for information regarding the Mental Health Medicaid Services are:

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joyce De Cunzo	444-3969	jdecunzo@mt.gov
Bureau Chief	Lou Thompson	444-9318	lothompson@mt.gov
Chief Financial Officer	Bob Mullen (acting)	444-3518	bmullen@mt.gov

WHAT THE PROGRAM DOES

The Medicaid mental health program provides an array of mental health therapies, medication management, therapeutic living, crisis and rehabilitation services for low income individuals having a severe and disabling mental illness. Co-occurring treatment needs are considered the expectation, not the exception. A strong emphasis is focused on recovery with the use of evidence based practices. In SFY 2006, approximately 13,900 Medicaid eligible individuals will receive services from the network of community and institutional providers.

**Medicaid Mental Health Recipients
SFY 2004 - SFY 2006**



The Medicaid mental health program provides about 80% of the public mental health services delivered in communities settings, not including the Medicaid pharmacy program.

STATUTORY AUTHORITY

TITLE 53. SOCIAL SERVICES AND INSTITUTIONS

CHAPTER 21. MENTALLY ILL

P.L. 102-321, CFR

HOW SERVICES ARE PROVIDED

The Medicaid mental health program provides mandatory hospitalization, clinic, and physician services and optional therapeutic treatment services in clinic, rehabilitation, out-of-home residential, and institutional settings to Medicaid

eligible individuals. Optional services are provided primarily through mental health centers and other community mental health professionals. Access to mental health services requires that individuals have a severe and disabling mental illness.

The table illustrates where the recipients of services were served by broad categories within the system of care in SFY 2006, as of the end of November 2006.

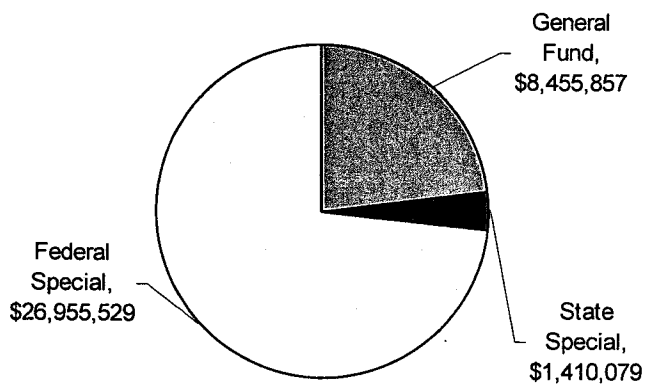
<u>Community MH Medicaid Service Category</u>	<u>Expenditures</u>	<u>Percent</u>
Crisis Response Services	\$ 2,696,084	8.4%
Community Rehabilitation Services	\$ 24,112,636	75.5%
Practitioner and Therapy Services	<u>\$ 5,162,192</u>	<u>16.1%</u>
Total Community MH Medicaid Services	\$ 31,970,912	100.0%

Totals above do not include institutional Medicaid for MSH and MMHNCC and are not intended to be the same as in the graphs on the following page.

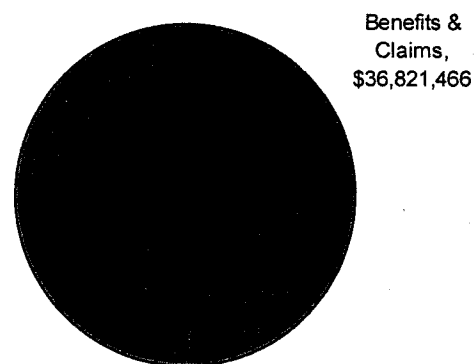
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Mental Health Medicaid program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding

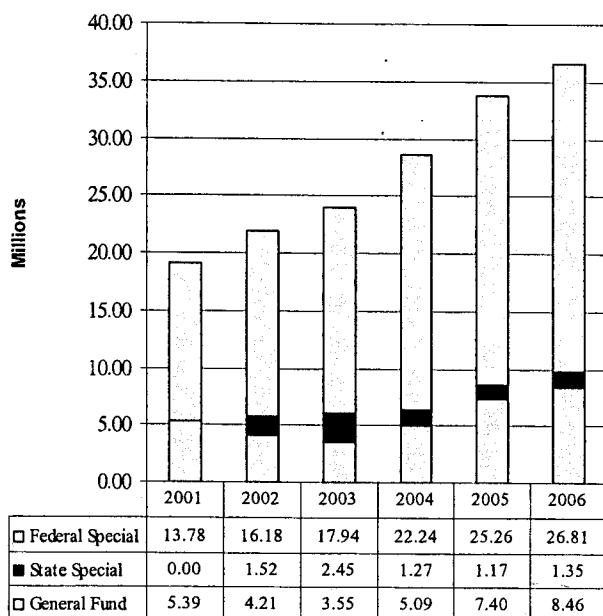


FY 2006 First Level Expenditures

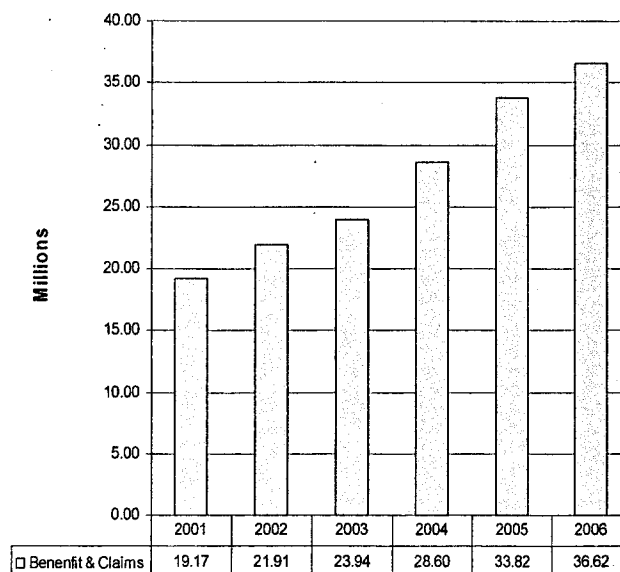


The following figures show funding and expenditures from FY 2001 through FY 2006, all HB2 funding. There were no administrative appropriations. In the graphs below, SFY 2001, SFY 2002, and SFY 2003 are estimated adult Medicaid costs only. Total Medicaid expenditures for the periods were \$70.07 million, \$77.55 million, and \$75.49 million respectively.

Historical Funding



Historical Expenditures



2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

- Enhance Community Psychiatric Access

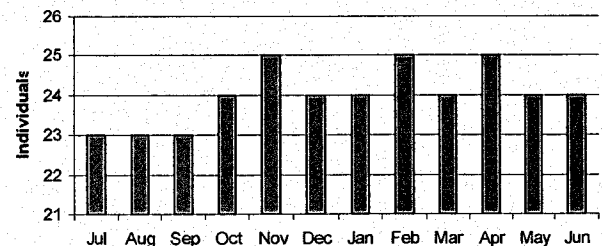
The 20% rate increase for psychiatrists that was authorized for FY2006, was intended to improve availability and access for Medicaid beneficiaries. The number of psychiatrists billing for adult mental health services and the number of individuals served increased modestly. The services provided by psychiatrists to public mental health adults have not declined, although there does remain a gap in the number of professionals available to provide services and the actual number involved with service delivery. We believe that without the rate increase we would have seen a decline in availability of providers and units of service.

	Adult Individuals Served	# Psychiatrists Billing for Adult Services
SFY 2003	3952	63
SFY 2004	3982	63
SFY 2005	3963	80
SFY 2006	4044	75

- Expand Intensive Community-Based Rehabilitation (ICBR)

In SFY 2004, the department implemented a decision package from the 2003 Legislature creating the ICBR program. The intensive community based rehabilitation services were developed for patients from the Mental Health Nursing Care Center that could benefit dramatically in community-based group living environments. Montana State Hospital patients with long lengths of stay and meeting other program criteria were later added as potential program residents. The department awarded contracts in five sites for a total of 21 beds. The 2005 Legislature authorized the department to add 3.5 beds in SFY 2006 and 7.0 beds in SFY 2007 funded with tobacco tax matching funds. During SFY 2006, one of the sites closed citing staffing difficulties as a principle reason.

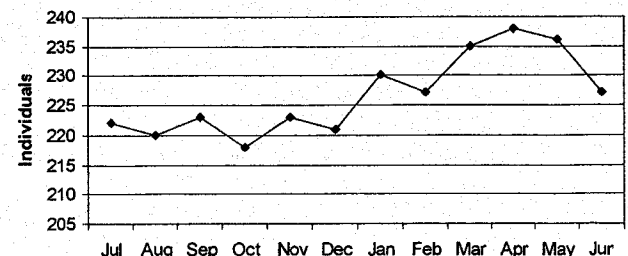
ICBR Services
SFY 2006 by Month



- Expand Program of Assertive Community Treatment (PACT) Slots

The previous legislature provided funding to annualize the cost of PACT services that were started at the end of SFY 2004 and the beginning of SFY 2005. Programs are located in Helena, Billings, Great Falls, Missoula, and Kalispell. The graph indicates the number of slots filled in SFY 2006. The total number of monthly slots available continues to lag behind the department's goal of approximately 280. Finding eligible individuals has proven more difficult than the department anticipated because of the choices of locations for the programs, and difficulty identifying individuals who are both clinically and financially eligible.

PACT Adults Served
SFY 2006 by Month



- Develop Home and Community-Based Services (HCBS) Waiver

The department submitted a waiver application on September 18, 2006 and received notification of approval in late November with an implementation date of January 1, 2007. The 105 Medicaid slots use tobacco tax as match for the federal funds. Waiver services will be available in three areas of the state beginning January 1, 2007.

FTE

There is no staffing associated with this reporting level or program.

2007 Biennium FTE Hire Dates	FTE	Date
NONE		

CORRECTIVE ACTION PLANS

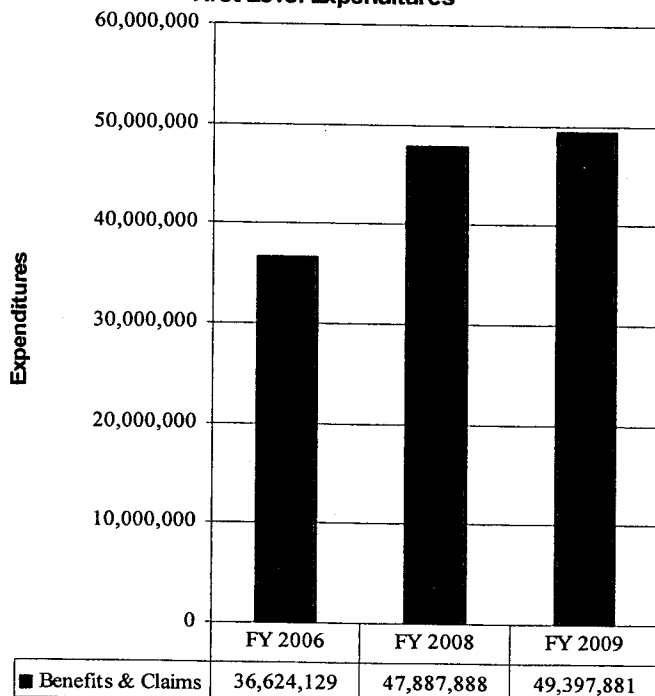
Legislative Audit – 2005 Biennium

There were no audit recommendations regarding this program.

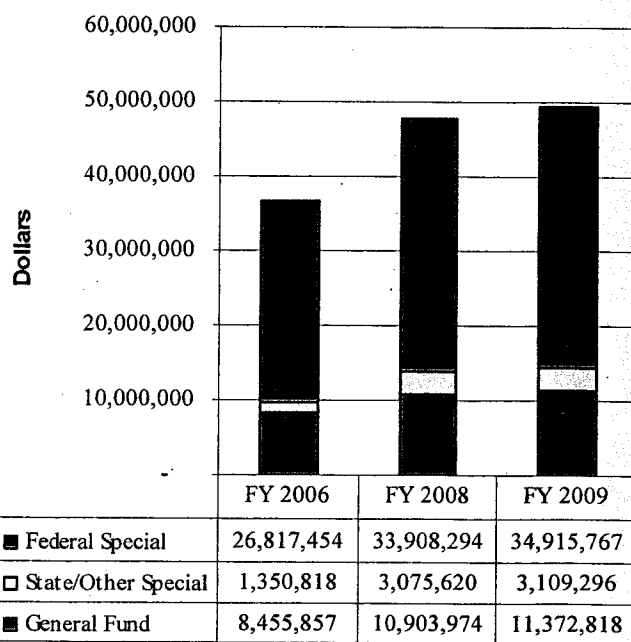
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

**DPHHS - AMDD - Mental Health Medicaid Benefits
2009 Biennium HB 2 Budget
First Level Expenditures**



**DPHHS - AMDD - Mental Health Medicaid Benefits
2009 Biennium HB 2 Budget
Funding**



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Goal	Measurable Objectives
To increase capacity for community-based crisis services.	By 2008, increase in the number of bed days provided for the delivery of community crisis services, for Medicaid eligible individuals. By 2008, decrease in the number of emergency detention and court-ordered detention bed days at the Montana State Hospital.
To fully utilize funded service slots for intensive community based rehabilitation and program of assertive community treatment services.	By 2008, identify specific barriers to services implementation and fill slots.
To increase availability of community-based Medicaid services to individuals who otherwise would require nursing facility care.	By 2008, fully utilize all service slots.
To continue to foster the use of evidence based mental health practices.	Continued maintenance and support of specific services developed and implemented during previous biennium including DBT, ACT, strength-based case management, integrated dual diagnosis screening, assessment, and treatment during 2008 and 2009.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Governor's Budget:

PL 33401 – Medicaid FMAP Adjustment
 PL 33402 – Medicaid Caseload Adjustment
 PL 33414 – Annualize HCBS Waiver
 NP 33701 – Provider Rate Increase

SIGNIFICANT ISSUES EXPANDED

AMDD will continue to focus on programs and services that are directed toward recovery for individuals with serious mental illness. This is evident in continued development of evidence-based practices, the implementation of the HCBS Waiver, and the development of community-based crisis services. AMDD seeks to expand the capacity for community crisis response through the use of crisis stabilization beds, crisis intervention training for law enforcement officers, crisis response teams, and specialized training in evidence-based and promising practices for providers. Within the continuum of care, AMDD hopes to reduce the use of Montana State Hospital as a psychiatric detention facility and to develop the resources to retain individuals in crisis within the community until a clinically appropriate decision can be made regarding the need for acute psychiatric care.

Please refer to narrative provided in AMDD's information on the Mental Health Services Bureau, the Mental Health Services Plan, and Mental Health Services Other.